

Message Text

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ACTION EB-11

INFO OCT-01 AF-10 ARA-16 EUR-25 EA-11 NEA-10 ISO-00 COME-00

AGR-20 TRSE-00 XMB-07 NSC-07 CIEP-02 SS-20 A-01 ABF-01

DRC-01 CIAE-00 DODE-00 INR-10 NSAE-00 PA-04 RSC-01

USIA-15 PRS-01 SP-03 OMB-01 MMS-03 PER-05 STR-08

GSA-02 FRB-02 /198 W

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R 240811Z APR 74

FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC 3425

INFO AMEMBASSY BRUSSELS

AMEMBASSY BOGOTA

AMEMBASSY CANBERRA

AMEMBASSY KINSHASA

AMEMBASSY TEHRAN

UNCLAS SECTION 1 OF 2 THE HAGUE 2040

PASS COMMERCE, AGRICULTURE, TREASURY, EXIMBANK AND
WHITE HOUSE FOR CIEP

E.O. 11652: N/A

TAGS: BEXP, ETRD, EFIN, NL

SUBJECT: LESSONS LEARNED FROM PILOT COUNTRY COMMERCIAL
PROGRAM

SUMMARY: MAIN LESSONS LEARNED (AS FAR AS WE ARE CONCERNED)
FROM CONDUCT OF PILOT CCP EXERCISE IN NETHERLANDS IN FY 74
ARE AS FOLLOWS:

(A) TOTAL ECONOMIC AND COMMERCIAL (EC/C) PERSONNEL RESOURCES
AVAILABLE FOR SELF-INITIATED PROMOTIONAL ACTIVITY IS NECES-
SARILY SMALL (IN OUR CASE LESS THAN 20 PERCENT OF TOTAL)
BECAUSE OF INESCAPABLE BURDEN OF WORKLOAD GENERATED BY OTHERS
OR UNRELATED TO CAMPAIGN OR (IN SOME CASES) CCP OBJECTIVES.

(B) USE OF CAMPAIGN APPROACH IS DESIRABLE TO FOCUS SUCH
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RESOURCES AS ARE AVAILABLE, PARTICULARLY IF THIS CAN BE

DONE IN TANDEM WITH WASHINGTON HEADQUARTERS.

(C) USE OF NON-E/C EMBASSY RESOURCES, PARTICULARLY AMBASSADOR, DCM, MAAG, USIS AND ADMIN, IN IMPLEMENTATION OF CCP CAMPAIGNS IS FEASIBLE BUT ONLY TO EXTENT SUCH WORK IS COMPATIBLE WITH THEIR OWN PRIORITIES AND PROGRAMS.

(C) THERE IS CONSIDERABLE SCOPE FOR MOBILIZATION OF NON-USG RESOURCES (E.G. CHAMBERS OF COMMERCE, TRADE ASSOCIATIONS AND PRIVATE COMPANIES) IN IMPLEMENTATION OF CCP IF BENEFITS TO THEM CAN BE DEMONSTRATED.

(E) WORKABLE AND CREDIBLE SYSTEM OF RESULT MEASUREMENT REMAINS ELUSIVE BUT WE BELIEVE MARKET "PENETRATIONS" MAY BE BEST YARDSTICK.

(F) FOCUS OF CCP AT FIELD END CAN AND SHOULD BE BROAD ENOUGH TO ENCOMPASS ALL ACTIVITIES OF BENEFIT TO US BOP BUT THIS FOCUS WILL BRING OPTIMUM SUCCESS ONLY IF THERE IS SOME DEGREE OF COORDINATION AMONG WASHINGTON AGENCIES INVOLVED.
END SUMMARY.

1. CONDUCT OF CCP PILOT EXERCISE BY THIS EMBASSY AND CONSTITUENT POSTS THUS FAR IN FY 74 HAS GIVEN US SOME NEW INSIGHTS AND CONFIRMED OUR EARLIER IMPRESSIONS ON OTHER POINTS. SOME OF OUR TENTATIVE CONCLUSIONS ARE SUMMARIZED BELOW FOR POSSIBLE APPLICATION ELSEWHERE. WE HAVE TRIED TO LIMIT OUR COMMENTS TO CCP EXERCISE PER SE RATHER THAN TO MORE GENERAL AND WIDELY RECOGNIZED PROBLEMS OF GOVERNMENT ACTIVITY IN COMMERCIAL FIELD. IN APPRAISING OUR FINDINGS FOR BROADER USE, ADDRESSEES SHOULD RECOGNIZE THAT RESOURCES AND OPPORTUNITIES VARY WIDELY FROM PLACE TO PLACE. IN HOLLAND WE HAVE A \$3 BILLION EXPORT PENETRATION, A SOPHISTICATED AND AGGRESSIVE DISTRIBUTIVE SECTOR, A STRONG PROPENSITY TO TRAVEL AND INVEST ABROAD, AND 27 E/C MAN-YEARS TO WORK WITH (THOUGH NOT ALL AVAILABLE FULL-TIME FOR CCP ACTIVITIES).

2. OUR FIRST AND PERHAPS MOST UNIVERSALLY VALID CONCLUSION IS THAT DISAPPOINTINGLY SMALL SHARE OF TIME OF OUR E/C OFFICERS AND LOCALS CAN BE DEVOTED TO SELF-INITIATED PROMOTIONAL ACTIVITY, I.E. TO OUR 12 LOCALLY DESIGNATED CAMPAIGNS. IN PRACTICE ONLY ABOUT 5 OF OUR 27 MAN-YEARS CAN BE SPARED FROM GENERAL WORKLOAD IMPOSED BY OTHERS BOTH IN GOVERNMENT AND
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BUSINESS. MUCH OF OUR NON-CAMPAIGN ACTIVITY CONTRIBUTES TO OUR CCP OBJECTIVES, I.E. IT HAS POTENTIAL BOP PAYOUT, BUT AS IT IS NOT FOCUSED IN SECTORS WHICH WE HAVE SELECTED AS OFFERING GREATEST SCOPE FOR FAST AND LARGE RETURN IT PRESUMABLY HAS LOWER COST-EFFECTIVENESS. SHORT OF ACQUIRING MORE PERSONNEL OR DODGING RESPONSIBILITY, WE SEE NO EASY WAY TO ALLEVIATE THIS PROBLEM: OUR BUSINESSMEN MUST BE SERVED AND LEGITIMATE NEEDS OF WASHINGTON AGENCIES FOR FS SUPPORT ARE

GROWING APACE. OUR BEST HOPE IS TO FOCUS AND STREAMLINE OUR OPERATION AS MUCH AS POSSIBLE AND INVOKE SUPPORT OF OTHERS, BOTH IN AND OUT OF GOVERNMENT, WHOSE OBJECTIVES COINCIDE WITH OURS. THIS EXTERNAL COLLABORATION IS "HIDDEN EXTRA" NOT SHOWN IN CCP INPUT-OUTPUT WORKSHEETS; IT IS USUALLY OBTAINABLE BUT CAN RARELY BE PROGRAMMED.

3. TO FOCUS AND STREAMLINE WE THINK CAMPAIGN APPROACH SERVES US WELL. IN CASE OF EXPORT CAMPAIGNS, FOR EXAMPLE, IT PERMITS CAMPAIGN MANAGERS TO SPECIALIZE ON SHORT LIST OF PRODUCT CATEGORIES AND THEREBY BECOME MORE FAMILIAR BOTH WITH PRODUCTS AND MARKET UNIVERSE. IT PERMITS STEP BY STEP APPROACH TO MARKET DEVELOPMENT, STARTING WITH PRODUCT UNIVERSE (I.E. SIC NUMBER) DEFINITION, MOVING THROUGH MARKET SURVEY WORK AND LIST-BUILDING TO ACTIVE PTO SOLICIATION.

4. MAIN PROBLEM IS TO BEAR USDOC SUPPORT INTO THIS PROCESS. WE COULD USE THEIR HELP ON PRODUCT DEFINITION AND MARKET SURVEYS, AND IN GETTING US EXPORTER RESPONSE TO PTO'S. IDEALLY USDOC AND POST TARGET INDUSTRY CAMPAIGNS SHOULD BE SYNCHRONIZED. PARTICULAR PROBLEM ARISES WITH MAJOR PROMOTIONAL EVENTS FOR WHICH COMMERCE LEAD TIME IS INEVITABLY LONG. THIS CAN BE OVERCOME EITHER BY SELECTING AND TIMING POST CAMPAIGNS TO FIT EVENTS (IN WHICH CASE LAST MINUTE CANCELLATION OF EVENT COULD ENTAIL SUBSTANTIAL WASTE OF POST RESOURCES) OR GO FOR LESS AMBITIOUS EVENTS, SUCH AS AMERICAN BUSINESS DEVELOPMENT DAY AT LOCAL TRADE SHOWS OR CHARTER FLIGHTS. LATTER COURSE HAS WORKED WELL HERE IN FY 74 AND SEEMS HIGHLY COST EFFECTIVE BUT WE ARE OPEN TO "BIG SHOW" LINKAGE IN FUTURE YEARS.

5. WITH AMBASSADOR GOULD AND BOTH CONSULS GENERAL ECONOMICALLY ORIENTED AND EXPERIENCED WE HAVE HAD NO DIFFI-
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CULTY IN MOBILIZING NON-E/C MISSION ELEMENTS IN SUPPORT OF CCP. PARTICIPATION OF AMBASSADOR, DCM AND CONSULS GENERAL IN QUARTELY CCP REVIEW SESSIONS HAS FOSTERED THEIR FAMILIARITY WITH CCP OBJECTIVES, CAMPAIGNS, AND TECHNIQUES. UNDER THEIR LEADERSHIP, AGRICULTURAL, ADMIN, USIS, POL, CONSULAR AND MAAG PERSONNEL HAVE MADE INVALUABLE CONTRIBUTIONS TO CCP SUCCESS, IN OUR EXPERIENCE, IT IS NOT REALISTIC TO EXPECT BUSY PERSONNEL FROM OTHER SECTIONS TO UNDERTAKE COMMERCIAL WORK UNRELATED TO THEIR NORMAL FUNCTIONS, BUT THERE IS MUCH THEY CAN DO TO SUPPORT CCP WITHIN THEIR OWN TERMS OF REFERENCE, GIVEN PROPER GUIDANCE FROM COMMERCIAL COUNSELOR.

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6. WE HAVE MADE HEAVY AND SUCCESSFUL USE OF PRIVATE COMPANIES, TRADE ASSOCIATIONS, AND TRADE MEDIA IN PURSUIT OF CCP OBJECTIVES. FOR EXAMPLE, OUR NEWSLETTER IS PUBLISHED BY PRIVATE COMPANY AS COMMERCIAL VENTURE, OUR CHARTER FLIGHTS TO TRADE SHOWS ARE FREQUENTLY CONSPONSORED BY AMCHAM, AMEXPRESS AND TRADE JOURNAL PUBLISHERS, AMERICAN BANKS COSPONSOR OUR REVERSE INVESTMENT SEMINARS, AND AMERICAN TRAVEL INDUSTRY (PLUS KLM) HAS FORMED NON-PROFIT FOUNDATION TO PROMOTE VISIT USA. WE HAVE ALSO RECRUITED BILINGUAL LADY VOLUNTEERS TO HANDLE RETAIL TRAVEL INQUIRIES. ALL THIS ADDS VALUABLE EXPERTISE AND SUPPLEMENTARY RESOURCES TO OUR PROGRAMS, MULTIPLYING OUR OWN EFFORTS AND PERMITTING US TO MOUNT PROMOTIONAL INITIATIVES THAT WOULD BE ALL BUT IMPOSSIBLE TO UNDERTAKE WITH JUST OUR OWN STAFF RESOURCES.

7. WE HAVE NOT YET FOUND SATISFACTORY AND CREDIBLE SYSTEM OF MEASURING CAMPAIGN PERFORMANCE. THIS IS INHERENT IN FACT

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THAT OUR FUNCTION IS NOT TO SELL BUT TO BRING BUYER AND SELLER TOGETHER. SALES WHICH WILL HOPEFULLY ENSUE FROM THESE RELATIONSHIPS MAY NOT TAKE PLACE FOR SEVERAL MONTHS OR EVEN YEARS. IT IS EVEN DIFFICULT TO ASCERTAIN WHETHER "ENGAGEMENTS" WE ARRANGE ARE ULTIMATELY CONSUMMATED INTO "MARRIAGES". NEVERTHELESS WE CONCLUDE THAT THE ONLY RATIONAL WAY TO MEASURE THE PERFORMANCE OF A MARRIAGE BROKER IS TO COUNT WEDDINGS (NOT OFFSPRING) AND WE PROPOSE TO PROCEED ON THAT BASIS. THUS OUR BASIC TARGETS FOR FY 75, AT LEAST FOR EXPORT CAMPAIGNS, ARE LIKELY TO BE EXPRESSED IN TERMS OF NUMBER OF MARKET "PENETRATIONS" ACHIEVED BY OUR EFFORTS RATHER THAN VOLUME OF SALES RESULTING. EFFORTS OF AMCHAM HERE TO COMPUTERIZE NEW AGENCY/DISTRIBUTOR RELATIONSHIPS SHOULD BE HELPFUL IN THAT REGARD.

8. WE HAVE ALWAYS FELT THAT CCP SHOULD EVOLVE INTO TOTAL BOP PROGRAM LINKING ACTIVITIES OF ALL AGENCIES, BOTH IN WASHINGTON AND THE FIELD, WHICH CONTRIBUTE TO US BOP. WE STARTED THIS IN SMALL WAY IN FY74 PILOT CCP BY INCLUDING MILITARY SALES AND VISIT USA AMONG OUR CAMPAIGNS EVEN THOUGH BACKSTOPPING WASHINGTON AGENCIES WERE NOT PARTICIPANTS IN CCP EXERCISE. TO CARRY THIS CONCEPT TO LOGICAL CONCLUSION ON GLOBAL BASIS, HOWEVER, WOULD REQUIRE MORE CONSCIOUS AND STRUCTURED COORDINATION OF SEVERAL US AGENCIES WORKING TO PROMOTE BOP, INCLUDING STATE, COMMERCE, AGRICULTURE, DEFENSE, TREASURY, EXIMBANK, GSA, STR, AND POSSIBLY OTHERS. THIS TASKS MIGHT LOGICALLY BE ASSIGNED TO CIEP. ONCE COORDINATION IS ACHIEVED AT WASHINGTON END IT BECOMES SIMPLE IN THE FIELD.

9. WE WILL LEAVE TO DEPARTMENT DECISION WHETHER THIS MESSAGE MERITS WIDER CIRCULATION.
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